

Comptroller's Directive No. 2-07
Attachment HE-8
Treasury's Reimbursement Programs

Introduction

This attachment is to provide information on the following Department of Treasury (Treasury) Reimbursement Programs:

- Virginia College Building Authority (VCBA) 21st Century
- VCBA Equipment Trust Fund (ETF)
- General Obligation Bonds – 9b (GOB)
- Virginia Public Building Authority (VPBA)

Reporting guidelines for these programs have changed from the prior year. For more detail regarding the new reporting guidelines, refer to the “Higher Education Accounting Procedures” on DOA’s website at www.doa.virginia.gov. Click on the “Financial Reporting” link, and then click on “Higher Education Accounting Procedures.”

Applicable institutions

All institutions **must** complete this attachment.

Due date

September 7, 2007

Certification (new tab)

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed; the information is both complete and accurate; and the preparer and reviewer were not the same individual for any tab.

Changes

This attachment is completely different from the prior year’s attachment. Below is an overview of the changes:

- **VCBA ETF:** This program was reported on the Attachment HE-8 last year; however, DOA requested the revenue for this program to be reported on two financial statement template line items as follows: Capital Gifts and Grants (ETF) and Other Gifts and Grants (ETF). For FY 2007, the new line item is: Revenue from VCBA (ETF). Also, in the prior year the receivable related to this program was reported on the Due from Primary Government line item. For FY 2007, the new line item will be Due from Component Units (VCBA ETF).
 - **VCBA 21st Century, GOB, and VPBA:** In prior years, these programs were reported on the Attachment HE-7. These are all reimbursement-based programs similar to the VCBA ETF program; therefore, the reporting guidelines and this Attachment HE-8 have been revised.
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**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-8. For example, VCCS should rename the Attachment HE-8.xls file as VCCS Attachment HE-8.xls.

DOA's e-mail address has changed from the prior year. Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab (RCL) in the attachment Excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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**Prior year
reporting
guidelines**

The following is an overview of the guidance provided in prior years for Treasury's reimbursement programs: For the **VCBA 21st Century** (CARS fund 0817), **GOB** (CARS fund 0811), and **VPBA** (CARS Fund 0820/0821) programs, the reporting guidelines were as follows:

- Appropriation Available: Unexpended allotments plus negative cash
- Appropriation Revenue: Allotments

For the **VCBA ETF** (CARS fund 03xx) program, the reporting guidelines were as follows:

- Due from Primary Government: Unreimbursed expenses as of year-end (negative cash & payables)
- Capital Gifts & Grants (ETF) & Other Gifts & Grants (ETF): Reimbursements from Treasury (plus accruals/less reversals)

**New reporting
guidelines**

For FY 2007, the new reporting guidelines for VCBA 21st, VCBA ETF, GOB, and VPBA are as follows:

- Due froms*: Unreimbursed expenses as of year-end (negative cash & payables)
- Revenue: Reimbursements from Treasury (plus accruals/less reversals)

This change in reporting should result in restatements for all programs except for the VCBA ETF program.

Note *: Since the amounts reported by the HEIs and Treasury as due froms/due tos at year-end should agree, additional guidance must be provided to determine the amounts to accrue. The additional guidance is as follows: *Any reimbursement requests processed by Treasury in July and August 2007 must be analyzed by HEIs to determine what amounts are for goods/services received on or prior to June 30, 2007. This should be the same amount as the year-end unreimbursed expenses (negative cash & payables). There could be some payables after the August cut-off related to these programs (i.e. retainage payable); however, there has to be a reasonable cut-off in order to ensure due froms/due tos reported on the Commonwealth's Comprehensive Annual Financial Report (CAFR) agree.*

See the next section for a summary of the prior year and current year financial statement template line items.

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**Template line
item
comparison**

Below is a comparison of the prior year and current year financial statement template line items.

Program	Prior year's financial statement template line items - Assets	FY 2007 new financial statement template line items – Assets (see Note A)
VCBA 21 st Century	Appropriations Available-21 st Century	Due from Component Units (VCBA 21 st Century)
VCBA ETF	Due from Primary Government	Due from Component Units (VCBA ETF)
GOB	Appropriations Available-GOB	Due from Primary Government (GOB)
VPBA	Appropriations Available-VPBA	Due from Primary Government (VPBA)

Program	Prior year's financial statement template line items - Revenue	FY 2007 new financial statement template line items – Revenue (see Note A)
VCBA 21 st Century	Appropriation Revenue-21 st Century	Revenue from VCBA (21 st Century)
VCBA ETF	Capital Gifts and Grants (ETF) Other Gifts and Grants (ETF)	Revenue from VCBA (ETF)
GOB	Appropriation Revenue-GOB	Capital Contributions from Treasury (GOB)
VPBA	Appropriation Revenue-VPBA	Capital Contributions from Treasury (VPBA)

Note A: Even though Treasury administers all these programs, the different line items for FY 2007 represent the required presentation in the Commonwealth's Comprehensive Annual Financial Report (CAFR) from Treasury's perspective. Since VCBA and the higher education institutions (HEIs) are all reported as component units in the CAFR, VCBA will report a Due to Component Units in the VCBA financial statements equal to the amounts reported by the higher education institutions as a Due from Component Units. The GOB and VPBA programs are reported in the CAFR as part of the primary government's special revenue funds. The special revenue funds will report a Due to Component Units equal to the amounts reported by the higher education institutions as a Due from Primary Government. Due tos/froms reported in the CAFR must equal across all funds. All four programs are primarily used for capital asset/construction costs; however, since VCBA is a component unit, this revenue is reported on different financial statement template line items to identify revenue from another component unit.

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Completing Attachment- Part 1

**Step 1: Cash
basis
reimbursements
from Treasury**

Record the cash basis reimbursements from Treasury for all programs. Cash basis reimbursements are reported on the Commonwealth's Accounting and Reporting System (CARS) as follows:

VCBA 21st Century : Fund 0817/GLA 972

VCBA ETF: Fund 03xx/GLAs vary (depends on how HEI requests
the reimbursement to be reported on CARS)

GOB: Fund 0811/GLA 971

VPBA: Funds 0820 & 0821/GLA 972

Treasury will prepare a summary of cash basis reimbursements by HEI and reimbursement program after CARS final close. This summary will be e-mailed to fiscal officers after CARS close. The amounts reported on this attachment for Part 1-Step 1 must be reconciled to the amounts provided by Treasury. Any differences must be investigated and resolved prior to submitting the attachment to DOA.

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Completing Attachment- Part 1, *continued*

**Step 2: Reverse
prior year's
"due from"
amounts**

Since reporting guidelines have changed, an analysis must be performed to determine the amounts that should have been reported as a "due from" last year had the new reporting guidelines been followed. This should cause a restatement for the following programs:

- VCBA 21st Century*
- General Obligation Bonds (GOB)
- Virginia Public Building Authority

The July and August 2006 Reimbursement Request spreadsheet must be completed to document the amounts that represent reimbursements for goods/services received on or prior to June 30, 2006. Information on this spreadsheet was prepared by Treasury, and there is a separate tab for each of the above programs. This spreadsheet includes the reimbursement requests processed on CARS in July and August 2006.

Note*: Treasury analyzed the July and August 2006 reimbursement requests for the VCBA 21st Century program and determined the amounts that the HEIs should have reported as a "due from" based on an analysis of negative cash and p-vouchers. HEIs have the option of using these amounts for the prior year reversal amount (**see Appendix 1 for the prior year amounts**). If the HEI does not agree with these amounts, the July and August 2006 Reimbursement Request spreadsheet for this program must be completed.

For the VCBA ETF program, HEIs may use the amounts they reported for FY 2006 as a Due from Primary Government for the reversal amount (**see Appendix 1 for these amounts**). HEIs were required to report unreimbursed expenses as of year-end as a "Due from" on the financial statement template for FY 2006. Many of these reimbursement requests were processed after August 2006. For FY 2007, HEIs may only report a "due from" for FY 2007 that represents unreimbursed expenses (goods/services received as of June 30, 2007) that are reimbursed by Treasury on or before August 31, 2007.

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Completing Attachment- Part 1, *continued*

**Step 3: Accrue
current year's
"due from"
amounts**

Record the current year's "due from" amounts based on the new reporting guidelines as follows:

- Reimbursement requests* processed by Treasury on or before August 31, 2007 for unreimbursed expenses as of year-end (goods/services received on or prior to June 30, 2007); **and**
- Due dates on these reimbursement requests cannot be after August 31, 2007.

The change in reporting guidelines will require that reimbursement requests be submitted to Treasury by August 24th. Also, since VCBA ETF reimbursement requests are first approved by the State Council of Higher Education for Virginia (SCHEV) before being sent to Treasury for processing, they must be submitted to SCHEV by August 17th.

Note*: Treasury will require all reimbursement requests for July and August to identify the amounts that are for unreimbursed expenses as of year-end (goods/services received on or prior to year-end) versus those that are for current year activity. Treasury will summarize by reimbursement program and HEI the amount that should be reported as a "due from" based on an analysis of reimbursement requests Treasury processes in July and August 2007. This summary will be e-mailed to fiscal officers by September 4, 2007 and the HEI must reconcile Treasury's amounts to the amounts reported for Part 1-Step 3. Any differences should be investigated and resolved prior to submitting the attachment to DOA.

**Step 4:
Revenue**

The total of the following amounts should agree to the revenue that will be reported on the financial statement template (FST):

Cash basis reimbursements –FY 2007
Less: reversal of prior year's "Due from"
Add: accrual of current year's "Due from"
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Total Revenue
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Completing Attachment- Part 2

**Comparison of
prior year
amounts**

Select the institution's acronym and prior year balances reported for Treasury's reimbursement programs under the old reporting guidelines will appear. There should be differences for all programs **except** for the VCBA ETF program. The reason for the differences should be due to the change in reporting guidelines. If this is not the reason for the differences, an explanation must be provided. The total of these differences will result in a restatement on the financial statement template and should have been reported on the Attachment HE-2, Beginning Net Asset Reconciliation, (TAB 1, HEI) under the Reporting Guideline Changes for Treasury's Reimbursement Programs category.

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Appendix 1 – Prior Year “Due from” Amounts – VCBA programs

**VCBA 21st
Century & ETF**

Below is a summary of Due from Component Units as of June 30, 2006 for the VCBA 21st Century and ETF programs. The HEIs may use these amounts as the reversal amounts unless they disagree with these amounts. If a HEI does not want to use the amounts below for the VCBA 21st Century, the July and August 2006 reimbursement request listing must be completed to document the amount that should be reported.

HEI's Acronym	Due from Component Units (VCBA 21st Century)	Due from Component Units (VCBA ETF)
CNU	283,617	
CWM		119,857
GMU	476,087	338,114
JMU		2,014,291
LU	415,304	185,849
UMW	40,351	
NSU	2,394,526	62,671
ODU	116,355	3,389,008
RU		283,852
RHEA		44,233
UVA		9,359,955
VCCS	4,547,023	
VCU		7,101,645
VMI	2,258,095	247,549
VPI	953,670	6,683,000
VSU	5,978	418,773
	11,491,006	30,248,797

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